

Lisa Platt:

I am pleased to inform you that Alternatives Unlimited has been granted probationary approval status by the Michigan Department of Education (MDE) to be a provider of supplemental educational services (SES) under Section 1116(e)(4) of Title I of the *Elementary & Secondary Education Act*, as amended by the *No Child Left Behind Act of 2001*. The list of approved providers for the 2011-12 academic year will be posted on MDE's website at www.michigan.gov/mde-ses. Please read the attached information regarding your probationary status as a new state-approved SES provider.

Each local school district or public school academy with a Title I school that has failed to make adequate yearly progress for three or more consecutive years will provide parents with a list of approved SES providers in their area. Each district will contact you, the provider, to begin negotiating an SES contract.

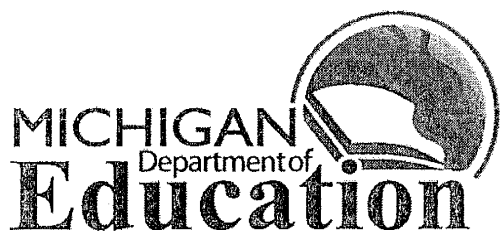
In addition, MDE is required to develop and implement methods for monitoring the quality and effectiveness of the SES provided. To meet this requirement, MDE is currently engaged in a formal evaluation of currently approved providers. MDE will be required to withdraw approval if a provider fails for two consecutive years to contribute to improved academic achievement for the participating students.

All newly approved SES providers in Michigan must attend an orientation session. Within the next 30 days you will receive a separate communication with the date and time of the orientation session.

Your probationary status will be reviewed after the completion of the 2011-12 academic year. Providers that have met the probationary requirements will be granted full approval status. Those that have not met the probationary requirements will be considered on a case by case basis. This may result in either an additional year of probation or removal from the state approved SES provider list. There is no appeal process; all decisions made by MDE are final.

Thank you for your interest in working with students who need additional educational opportunities in order to improve their academic skills. If you have any questions regarding SES, please contact Greg Olszta, SES Consultant, at 517-241-4715 or MDE-SES@michigan.gov.

Mark Coscarella, Assistant Director
Office of Education Improvement & Innovation



OFFICE OF SCHOOL IMPROVEMENT

SUPPLEMENTAL EDUCATIONAL SERVICES PROBATIONARY STATUS INFORMATION

2011-12 PROBATIONARY STATUS - IMPORTANT!

All newly approved SES providers are placed on probationary status for one year.

During the Probationary Period, Providers Must:

- a) Attend the SES new provider orientation session presented by the Michigan Department of Education
- b) Participate in any other school district or State sponsored SES training that is mandatory for new providers

During the Probationary Period, Providers are subject to:

- a) All applicable local, state, and federal laws, policies and agreements related to the provision of supplemental educational services
- b) This includes, but is not limited to:
 - o Title I, Part A, Section 1116
 - o United States Department of Education (USED) SES Non-Regulatory Guidance of January 14, 2009
 - o Michigan's Assurances and Code of Ethics for SES providers
 - o Contracts with individual school districts or public school academies (PSAs)

Failure to meet any of the above requirements will lead to immediate corrective action, leading up to and including removal from the state approved SES provider list.

At the conclusion of the probationary year, each newly approved SES provider will go through a final review process for determination of status.

In order to be granted full approval (non-probationary) status, providers must:

- a) Have met all requirements above or have a valid explanation, if a requirement is not met.
- b) Provided services for eligible students
- c) Be free of any corrective action or pending corrective action

The MDE will review provider status and decide on one of the following options:

- a) Full approval
- b) An additional year of probation
- c) Removal from the state approved SES provider list

All decisions made by the MDE are final. There is no appeal process.

Please note that being placed on the Approved List does not guarantee that an SES provider will be selected by parent(s)/legal guardian(s) to provide services.



Office of Education
Improvement & Innovation
 Supplemental Educational Services
 Application Review Consensus 2011-2012

Entity Name: Alternative Unlimited

Criterion	Consensus Score	Min Score Needed	Min score Met?	Comments
1	30	20	Yes	wonderful
2	11	10	Yes	none
3	8	7	Yes	none
4	9	7	Yes	alludes is an accurate verb to describe how this was written
5	9	7	Yes	none
6	10	7	Yes	none
7	10	7	Yes	none
8	5	3	Yes	none
9	0	-	-	-
Application Total	92	Met Min in all Criteria?	Yes	

Hourly Rate Calculation			35
Per pupil Allocation	Maximum fee per hour	Calculated hours of instruction	Minimum number of hours required for student to achieve their individualized learning goals
\$2000 +	\$50.00	= 40	

Is the total application score 85 or greater?	Yes
Did the application meet the minimum in each criterion?	Yes
Is the hourly rate calculation sufficient?	Yes
Does the applicant entity ever lower the hourly rate to guarantee each student receives a specific # of service hours?	n/a
Is the application recommended for approval?	Yes

SECTION A. BASIC PROGRAM INFORMATION

Please enter the requested information in the spaces provided. Be sure to read all notes, as they provide important information regarding each category.

IMPORTANT NOTE: Once approved, providers must operate within the information identified in this application.

Changes in application information may be requested in writing to MDE prior to the beginning of the application process in subsequent years. The request must include the rationale for the changes. All changes must receive written approval from MDE prior to implementation and will be determined on a case by case basis. This includes, but is not limited to, information changes in the following categories:

- Tutor qualifications
- Grade level
- Hourly rate
- Maximum and minimum number of students
- Curriculum
- Service session information
- Tutor/Student ratio
- Service area

Instructions : Complete each section in full.

1. Federal EIN, Tax ID or Social Security Number:

2. Legal Name of Entity:

Alternatives Unlimited, Inc.

3. Name of Entity as you would like it to appear on the Approved List:

Alternatives Unlimited

4. Entity Type:

- ☒ For-profit
☐ Non-profit
☐ Michigan corporation
☐ Corporation organized in another state
☐ Individual

5. Check the category that best describes your entity:

- ☒ Business
☐ Child Care Center
☐ Community-Based Organization
☐ Educational Service Agency (e.g., RESA or ISD)

- ☐ Faith-Based Organization
☐ Institution of Higher Education
☐ Other (specify):
☐ School District(LEA, ISD)

Provide Michigan (or other state) Corporation ID number

NOTE: An LEA or an ISD that is identified for Improvement, Corrective Action, or Restructuring as a district is NOT an eligible applicant.

6. Applicant Contact Information (Only the two individuals listed on this application will have access to the information contained within the application)

Name of Contact: *

☐ Mr. ☒ Ms.

First

Name:

Lisa

Last

Name:

Platt

Phone: *

(702)

656

- 3437

e.g. (xxx) xxx - xxxx

Fax: *

(702)

947

- 2272

e.g. (xxx) xxx - xxxx

Street

Address:

3670 N. Rancho Drive

*

Suite 101

City: *

Las Vegas

* NV

Zip: * 89130

State:

E-Mail: * lplatt@auschools.net

Website www.aututoring.com

7. Local Contact Information (This contact information will be published)

Name of Contact: *

☐ Mr. ☒ Ms.

First

Name:

Lisa

Last

Name:

Platt

Phone: *

(800)

748

- 6516

e.g. (xxx) xxx - xxxx

Fax: *

(702)

947

- 2272

e.g. (xxx) xxx - xxxx

Street

Address: 3670 N. Rancho Drive

* Suite 101

City: *

Las Vegas

* NV

Zip: * 89130

State:

E-Mail: * lplatt@auschools.net

Website: www.aututoring.com

8. SES History:

Is the applicant entity a current or past approved SES provider in Michigan under applicant entity name or any other name?

Current SES provider? ☐ Yes Provide entity name:

Past provider? ☒ Yes List previous provider company name(s):

Alternatives Unlimited

Is the applicant entity a current or past approved SES provider in any other state?

☒ Yes ☐ No

If yes, list the state(s) in which entity has been an approved SES provider:

During the 2010-2011 academic year, we serviced: New York, Florida, Maryland, Texas, California, Washington, Tennessee, Nevada and Washington, D.C.

Has the applicant entity ever had any official action taken against it by any state, including but not limited to a formal warning, prohibition of service, or removal from a state-approved SES provider list, or other approval as a provider of educational services to state or local educational agencies (LEA)?

☐ Yes ☒ No

If yes, explain:

Have any other individuals associated with or providing support to this applicant entity ever been an SES provider that had any official action taken against them by any state, including but not limited to a formal warning, prohibition of service, or removal from a state-approved SES provider list, or as a provider of other education related services to a state or LEA?

☐ Yes ☒ No

If yes, explain:

9. Service Area:

List the intermediate school district and each individual district in which you agree to provide services. Enter "Statewide" ONLY if you agree to provide services to any district in the State of Michigan. By indicating that you will serve a specific district (or all districts, if you indicate "Statewide"), you agree to provide services to any student in that district whose parent(s)/legal guardian(s) select you as their provider within minimum and maximum capacity. Additionally, you may only enroll students from the districts identified in this application, and you may not add additional districts once the application is approved.

☒ Statewide

10. Conflict of Interest Disclosure:

Are you or any member of your organization currently employed in any capacity by any public school district or public school academy (charter school) in Michigan, or do you serve in a decision making capacity for any public school district or public school academy in Michigan (i.e. administrative staff, school board member)?

☐ Yes ☒ No

What school district are you employed by or serve:

In what capacity are you employed by or do you serve (position title):

A school or school district may apply to become an approved SES provider. However, the administration of the SES program by the school or district must be separate and distinct from the school or district's SES provider entity. In effect, the school or district's SES provider entity must function and behave as if it were an outside organization. A potential conflict of interest, even if disclosed, may be reason to deny the application or to deny the approval of the applicant to serve one or more districts requested in the application.

11. Place of Service:

Check the location(s) that best describe(s) where you intend to deliver services to students. If you select "Via Technology," please use the Criteria 2 narrative to identify the type of technology used, describe where the students will access the service and whether it is distance learning. Describe how the session will be facilitated and monitored.

☒ Community Center

☒ LEA Facility (Checking this box does not guarantee space will

☒ Place of Religious Worship (e.g., church, synagogue, mosque, temple)

☐ Student's Home

be available in district buildings to offer tutoring. SES Providers must work with each district to gain access to school facilities. Space in school buildings varies by district).

☒ Place of Business

☐ Via Technology (site-based)

☒ Online

☐ Other (specify):

12. Transportation:

Do you provide transportation? (If "yes", Districts will require additional insurance.)

☐ Yes ☒ No ☐ At select sites only

13. Subject Areas:

Check all that apply.

☒ English language arts ☒ Mathematics ☐ Science ☐ Social studies

Providers must offer tutoring in English Language Arts and/or math. Newly approved providers may offer additional tutoring in science and/or social studies. Previously approved providers wishing to add tutoring in science or social studies must have submitted a written request to MDE detailing the elements of the instructional design and connections to Michigan's content standards for these subjects.

14. Grade Levels:

List each grade to be served. The program described must address each of the grade levels indicated.

<input checked="" type="checkbox"/> K	<input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 9
<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 6	<input checked="" type="checkbox"/> 10
<input checked="" type="checkbox"/> 2	<input checked="" type="checkbox"/> 7	<input checked="" type="checkbox"/> 11
<input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 12
<input checked="" type="checkbox"/> 4		

Note: Applicants proposing to serve grade levels 7-12 and to provide tutoring in **math and science** to grade levels 7-12 will receive **5 bonus points** to be added to the total score. **NOTE:** Both **math and science** must be proposed for grades 7-12 in order to receive bonus points!

15. Minimum Number of Students:

Indicate the minimum number of students needed in order to provide services in each district. 7

16. Maximum Number of Students:

Indicate the maximum number of students that may be enrolled in each district. This number should allow the applicant entity to maintain quality service and results. 9999

17. Specific Student Populations:

Indicate which sub-groups the applicant entity will be qualified to serve:

English Language Learners (ELL)

☒ Yes ☐ No

If yes, in which language:

Spanish

Students with Disabilities:

☒ Yes ☐ No

If yes, which disabilities:

Emotional and behavioral disorder, specific learning disability

18. Session Information:

Ideally, how many days per week would a student be scheduled for services?

2 days

Ideally, for how long each day would a student receive services (in minutes)?

120 minutes

How many hours are required for a student receiving tutoring in your program to achieve their individualized learning goals?

35 hours

Applicants must ensure that the maximum hourly rate identified in number 19 of this application is low enough to allow for the number of hours required to achieve individualized learning goals or that this number is equal or lesser than the guaranteed number of service hours you identify

in number 18.

19. Hourly Rate:

List the maximum fee per hour of instruction, per student. \$50.00

The MDE does not allow approved SES providers to charge fees outside of the maximum fee per hour of instruction, per student identified above. The hourly rate should include the cost for all program expenses including, but not limited to: facility expenses, administrative costs, assessment materials, salaries, equipment, software and instructional materials.

Once approved, providers may not exceed the maximum hourly rate indicated above during the academic year identified in this application. Changes in hourly fees may be requested in writing to the MDE prior to the beginning of the application process in subsequent years. The request must include the rationale for the change in the charges. Any increase in rates or fees must receive approval from the MDE prior to implementation.

Does your program ever lower the hourly fee to guarantee each student receives a specific number of service hours?

☐ Yes ☒ No

If yes, what is the guaranteed minimum number of service hours each student receives: _____

Applicants must ensure that the maximum hourly rate you identify in this section is low enough to allow for the number of hours required to achieve individualized learning goals you identified in number 18 or that this number is equal to or lesser than the guaranteed number of service hours you identified here in number 19.

20. Tutor/Student Ratio:

Indicate the maximum number of students who will be assigned to each tutor per session. Student/tutor ratios should fall within the following ranges:

- 1-5 students:1 tutor for non-computer based instruction
- 1-8 students:1 tutor for computer based instruction in a classroom or lab setting
- 1-30 students:1 tutor for online instruction with an off-site facilitator

5 _____ students:1 tutor—Non-Computer based instruction

8 _____ students:1 tutor—Computer-based instruction (classroom setting)

10 _____ students:1 tutor—Online instruction (off-site facilitator)

21. Program Summary:

Please summarize your program in a narrative form. The description should be 1,000 characters or less and include the following information::

- Your approach or model of instruction, including assessment and goal-setting procedures;
- The structure of a standard tutoring session including length of sessions, frequency of sessions, length of sessions and student /teacher ratio;
- The instructional materials that will be used; and
- Tutor qualifications.

*Please note that this summary will be used by the MDE and/or by the LEAs you serve to describe your services to parent(s)/legal guardian(s) and/or to the public. **The MDE reserves the right to edit your description for space considerations, but will not edit for spelling errors or typos. It is highly advised that you proofread your program description carefully.***

Minimal rewards, up to a total of \$20.00 per student annually, are allowed for attendance or achievement, but may not be advertised in the program description. Technology-based providers that allow students to keep computers at the completion of services may not disclose this information in the program summary.

The Alternatives Unlimited (AU) tutoring program has been successful in helping students improve skills in reading and mathematics by providing web-based and small-group tutoring, twice weekly for 2 hours. AU uses an interactive, hands-on pedagogical approach. AU instruction focuses on helping students develop and strengthen the fundamental math and/or language arts skills necessary for academic success, and the tutoring activities target the skill sets that the student's assessment and diagnostic data indicate they have not yet mastered. Information provided by parents, teachers, and district resource specialists (when appropriate) is considered along with assessment data, to develop an individualized Student Learning Plan which drives instruction. Alternatives Unlimited will provide highly qualified personnel, all equipment, materials, supplies as well as professional development and parental involvement activities necessary in order to deliver remedial basic skills instruction to students failing or at-risk of failing as required under Title I regulations.

SECTION B. CRITERIA

Instructions: All responses must comply with stated word or character limits, where applicable. Figures such as tables, charts, graphs can be uploaded at the end of the application, but such information will be counted toward page limits. Text and figures beyond the stated page limit will not be considered and should not be submitted with the application. All references must be cited. Use American Psychological Association (APA) citation style when referencing your research and provide a reference list that includes every in-text citation. The Reference List should

be uploaded in the online application, Section E. Information on APA citation style may be found at the website of the Cornell University Library at the URL:

<http://www.library.cornell.edu/resrch/citmanage/apa>

Applications that contain plagiarized information will not be considered.

Criterion 1 (30 points):

Financial Soundness and Management Structure

Rationale: The No Child Left Behind Act of 2001 (NCLB) Section 1116(e)(12)(B)(iii) requires providers to be financially sound. Your application will be evaluated on your ability to demonstrate financial soundness and sound management structure through a review of financial and licensure documentation.

Required Documentation: Attach the following documents which will be used to determine that your entity is financially sound. **ALL of these items are required.**

- **Cash-on-Hand:** Applicants must provide evidence that there is enough cash-on-hand to support the business for at least six months. Examples of sufficient evidence are: savings account or checking account statements, notarized letters from investors identifying the investment amount available, evidence of an available line of credit or loan from a financial institution. The amount identified should be enough to cover all projected revenue and expenses for **at least six months for the maximum number of students per district** identified in the application. Narrative text that states the money is available is not sufficient evidence of cash-on-hand.
NOTE: Tax documents are not considered evidence of cash-on-hand. Applications submitted with tax documents as evidence of cash-on-hand are considered incomplete and will not be reviewed.
- **Cash Flow:** Applicants must provide an organizational cash flow that accounts for and details all **monthly projected revenue and expenses for at least twelve months, ending in June 2012.**
- **Expense Minimum:** Applicants must provide a comprehensive list of expenses necessary to serve the **the minimum number of students per district** identified in the application (See Section A, "Basic Program Information" #15).
- **Expense Maximum:** Applicants must provide a comprehensive list of expenses necessary to serve the **maximum number of students per district** as identified in the application (See Section A, "Basic Program Information" #16).
- **Corporate Organization:** Applicants must provide a copy of their business license, if applicable, and formal documentation of corporate legal status as a corporation organized in Michigan or another state (must include copy of certificate of incorporation identifying the state issued corporation ID number), and if relevant, proof of 501(c)(3) tax-exempt status).
- **Insurance:** Applicants must provide a copy of their liability insurance or a recent quote (60 days or less from date of application submission) from an insurance agency that reflects your intent to obtain general liability insurance (Note: the cost of insurance should be included in the cash-flow document and also in the comprehensive list of expenses for the minimum and maximum number of students per district);
NOTE: individual school districts may require additional professional liability insurance coverage.
- **Billing and Payment:** Applicants must provide sample invoices and other business documents for tutoring services identifying that a management structure related to billing and payment for tutoring is in place.
- **Financial Narrative:** Applicants must provide a one-page narrative explaining how the financial documents listed above represent a strong business plan.

The financial documents should only identify revenue and expenses for the Michigan applicant entity. If the applicant entity is part of a national franchise, for instance, only the revenue and expenses directly related to this Michigan applicant entity should be identified in the financial documents. Likewise, if the applicant operates other businesses, the costs associated with these businesses should not be included in the budget. Revenue associated with other businesses may be a viable contribution, but should have sufficient documentation.

Criterion 2 (15 points):

Demonstrated Record of Effectiveness in Increasing Student Academic Achievement

Rationale: Providers must have a demonstrated record of effectiveness in increasing the academic proficiency of students in subjects relevant to meeting the state academic content and student achievement standards[NCLB Section 1116(e)(4)(B)]. In addition, an applicant must provide evidence that its instructional methods and content are aligned with state academic content and student academic achievement standards, and are of high quality, research-based, and specifically designed to increase the academic achievement of eligible children (Final Title I Regulations of October, 2008).

Evaluation: Your application will be evaluated on your ability to demonstrate your record of effectiveness in Michigan and/or other state(s) in increasing academic achievement, particularly for low-income and/or underachieving students, in the subjects and grade levels in which you intend to provide services. Data that provides evidence of a positive impact on Michigan state assessments will provide the applicant with the opportunity to enhance the score for Criterion 2.

If you have served students as a SES provider in other states but not in Michigan, provide data documenting your effectiveness in those states.

If you have not served students as an approved SES provider, the requirements apply to the instructional program that you propose to use in Michigan.

Evidence that will be considered includes:

- Data that demonstrate a positive impact on national, Michigan, another state's, and/or district assessments;
- Data that demonstrate a positive impact on other independent, valid and reliable assessments (e.g., provider-administered assessments, teacher-administered content area assessments);
- Data that demonstrate a positive impact on course grades;
- Data that demonstrate positive feedback from customers (e.g., parent(s)/guardian(s), students, LEAs) related

- to the effectiveness of the instructional program)
- Data that demonstrate a positive impact on other indicators (e.g., student attendance, student behavior/discipline, retention/promotion rates, graduation rates).
- Feedback from constituent groups (parent(s)/guardian(s), students, LEAs) about the effectiveness of the proposed delivery model, the instructional program in the intended subject areas and grade levels, particularly for low-income and/or underachieving students.

Narrative (limit 7,880 characters): Cite and reference available research studies (as appropriate) and **provide data** that indicate the instructional program has a positive impact on the academic achievement of students in the subjects and grade levels in which you intend to provide services, particularly for low-income and/or underachieving students.

- Use American Psychological Association (APA) citation style when referencing your research and provide a Reference List that includes every in-text citation. The Reference List should be uploaded in Section E. Information on APA citation style may be found at the website of the Cornell University Library at the URL: <http://www.library.cornell.edu/resrch/citmanage/apa>

If you intend to serve students with disabilities or students with limited English proficiency, cite and reference available research studies (as appropriate) and **provide data** that indicate the positive impact your program is expected to have on the academic achievement of those student population(s).

The Alternatives Unlimited (AU) tutoring program has had a positive impact on student achievement, particularly for low-income, underachieving students. AU tutoring has had a positive impact on the independent, provider-administered pre-and post-assessment, ENI's Target Fundamentals reading/language arts and math diagnostic assessment. This assessment battery was developed in accordance with the standards for validity and reliability set forth in the Standards for Educational and Psychological Testing (1999).

During the 2009/10 school year, 1,731 kindergarten through 12th grade students were enrolled in our program and completed a preprogram TargetFundamentals assessment, an assessment which accompanies our curriculum. Of these students, 1,569 students completed our full instructional program and also completed a post-program TargetFundamentals assessment; our completion rate for AY 2009/10 was 91%. Four hundred ninety-nine students completed our targeted ELA intervention program and completed a TargetFundamentals ELA assessment pre and post program. Four hundred sixty-six (93.4%) of these students showed improvement on their post program TargetFundamentals ELA scores. The mean percent change between pre test and post test scores for these 466 students was +126%, which means that students, on average, more than doubled their scores on the TargetFundamentals ELA assessment after completing our ELA instructional program. This outcome was found to be statistically significant ($P < 0.001$), which substantiates that our students' significant academic improvement was a direct result of our instructional program. One thousand seventy students completed our targeted math intervention program and completed a TargetFundamentals math assessment pre and post program. Nine hundred ninety-seven (93%) showed improvement in their post program assessment scores. The mean percent change in post program assessment scores was found to be a statistically significant ($P < 0.001$) +93.2%, which means that students nearly doubled their TargetFundamentals math scores after completing our math instructional program. These students, on average, increased their math scores by 24.7 points.

During the 2008/09 school year, 1,479 kindergarten through 12th grade students were enrolled in our program and completed a preprogram TargetFundamentals assessment. Of these students, 1,371 students completed our full instructional program and also completed a post-program TargetFundamentals assessment; our completion rate for AY 2008/09 was 93%. Eight hundred twenty-four students completed our targeted ELA intervention program and completed a TargetFundamentals ELA assessment pre and post program. Six hundred ninety (83.7%) of these students showed improvement on their post program TargetFundamentals ELA scores. The mean percent change between pre test and posttest scores for these 690 students was +41.1%, which was statistically significant ($P = 1.8 \times 10^{-51}$; $P < 0.001$). Five hundred forty-seven students completed our targeted math intervention program and completed a TargetFundamentals math assessment pre and post program. Nine hundred ninety-seven (89.9%) showed improvement in their post program assessment scores. The mean increase in these students' assessment scores was 21 points (a + 54.8 percent change), which was found to be statistically significant ($P < 0.001$).

Our instructional program has proven to have a significant positive impact on English Learners (ELs) and students with disabilities (SWDs). During the 2009/10 academic year, 851 of our students that completed our English language arts (ELA) instructional program and completed pre and post program TargetFundamentals ELA assessments were classified as ELs. Ninety-three percent (93%) of these students increased their TargetFundamentals scores after completing our instructional program. The mean increase for these students was 24.7 points (a +93.5 percent change), which indicates students nearly doubled their scores on the post program assessment. This was found to be statistically significant ($P = 9.0 \times 10^{-93}$; $P < 0.001$). Three hundred eighty-two students that completed our math instructional program during AY 2009/10 were classified as ELs. Three hundred fifty-five of these students (93%) increased their post program TargetFundamentals math scores after completing our instructional program. The mean increase for these students was 24.4 points (a +129.4 percent change, which indicates these students more than doubled their post program assessment scores). This was found to be statistically significant ($P = 5.1 \times 10^{-50}$; $P < 0.001$). Also during AY 2009/10, 95 students that completed our ELA instructional program were classified as SWDs. Eighty-nine (94%) of these students improved their post program TargetFundamentals ELA assessment scores, after completing our instructional program. The mean increase for these students was 17.7 points (a +84.3 percent change), which was statistically significant ($P = 2.8 \times 10^{-9}$; $P < 0.001$). Fifty-seven students that completed our math instructional program were classified as SWDs. Fifty-two (91%) of these students improved their post program TargetFundamentals math assessment scores, after completing our instructional program. The mean increase for these students was 14.5 points (a +104 percent change, which indicates these students more than doubled their post program scores). This was found to be statistically significant ($P = 1.1 \times 10^{-7}$; $P < 0.001$). Quantitative analysis of our ELA student data over the past two years substantiates the positive impact our tutoring program has on all students' academic performance, including English Learners and students with disabilities.

Criterion 3 (10 points):

Evidence of a High Quality, Research-Based Instructional Program Designed to Increase Academic Achievement

Rationale: By definition, SES is tutoring and other enrichment services that are high quality, based on research, and designed to increase student academic achievement [NCLB, Section 1116(e)(12)(C)(2)]. According to the U.S. Department of Education (January 14, 2009), the major focus of NCLB is to utilize only those educational practices that have evidence to suggest that they will increase academic achievement (see *Federal Supplemental Educational Services Non-Regulatory Guidance*). In addition, an applicant must provide evidence that its instructional methods and content are aligned with state academic content and student academic achievement standards, and are of high quality, research-based, and specifically designed to increase the academic achievement of eligible children (Final Title I Regulations of October, 2008).

Evaluation: The application will be evaluated on the applicant's ability to demonstrate that the instructional program is (1) high quality and research-based, designed to increase student academic achievement; (2) aligned to

Michigan content standards (e.g., Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and/or the Michigan Curriculum Framework) for the grade levels the applicant proposes to serve. You must describe the findings of any academic research that support major elements of your instructional program. See also, the Michigan Department of Education website for the Common Core State Academic Standards:

http://www.michigan.gov/mde/0,1607,7-140-6530_30334_51042-232021--,00.html

Major elements must include:

- Instructional strategies;
- Time on task;
- Special instructional materials;
- Use of technology; and
- Other relevant program components.

Narrative (limit 7,880 characters): Clearly and specifically explain the ways in which the instructional program is (1) high-quality and research-based, and designed to increase student academic achievement; (2) aligned to Michigan content standards for the grade levels the applicant intends to serve.

Describe the findings of any academic research that supports the major elements of the instructional program. Major elements must include instructional strategies, time on task, special instructional materials, use of technology, etc. Cite and reference available research studies (as appropriate) and **provide data** that supports your position and findings. **Use APA citation style as described in Criterion 2.**

The Alternative Unlimited (AU) tutoring program provides online and small group instruction in math, reading and English/Language arts. We use the Target Teach Fundamentals instructional program published by Evans Newton, Inc. (ENI) to provide students with assessment and high interest curriculum and learning activities aligned with specific Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and the Michigan Curriculum Framework. ENI drives student results with a singular focus; quality standards-based instruction with immediate assessment data to drive remediation. Target Teach is based on the latest educational research on deep curriculum alignment. Deep alignment requires analysis of test questions regarding level of student thinking required, along with the development of vocabulary, processes, and concepts that are used in the testing situation. Knowledge of these testing factors is incorporated into the delivery of instruction in such a way that student's classroom practices and products mirror the test format that may vary from item to item and test to test. ENI's Target Teach Fundamentals lessons are available for all of the prerequisite skills in Math, grades Kindergarten through High School, including Geometry and Algebra, and for Reading, grades Kindergarten through High School English. The Fundamental lessons are self contained and are designed with the accepted 'best practices' for curriculum and instruction using all of the research from experts such as Madeline Hunter, Robert Marzano, David Ausebel, Benjamin Bloom, and Howard Gardner. "By tightening the alignment between what is expected, what is taught, what is tested, and providing structure to instructional process around this goal, Target Teach is designed to increase the probability that students will be provided with the chance to learn the material and skills for which they and their schools will be held accountable" (www.evansnewton.com). ENI employs a staff of researchers and curriculum specialists whom are responsible for developing Target Teach curriculum and learning activities that are aligned to Michigan state standards and objectives for K-12, and for insuring that those curricula and learning activities are up-to-date with changes Michigan makes to its content standards and grade level achievement indicators. We use Target Teach assessment and curriculum materials developed to address the Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and the Michigan Curriculum Framework, in reading, math, and writing. Using Target Teach, we supplement students' classroom learning with instruction that will help them develop targeted grade level skill sets in math and ELA, and will prepare them for performing at or above proficiency on all state standardized tests, including the Michigan Educational Assessment Program (MEAP), the Michigan Educational Assessment Program-Access (MEAP-Access), English Language Proficiency Assessment (ELPA) and the Michigan Merit Exam (MME).

Before beginning our program, students take the Target Assessment. Student responses are scanned into the computer-based Target Assessment program, which scores their assessment and generates a report of the student's academic strengths and academic gaps requiring remediation. The assessment report also identifies the Michigan state content standards and achievement indicators that are associated with each identified learning gap, and prescribes an assortment of learning activities available through Target Teach to address those gaps. The student's assessment report is used to create the individual student learning plan. The tutors are able to use the goals set for each student to obtain the appropriate resources available from Target Teach and create customized, engaging learning styles-based activities to provide direct instruction to students. Using the grade level specific Target Teach curriculum resources, our tutors provide math and ELA instruction to students one-on-one and in small groups. Based on the research-based best practices, the Target Teach instructional materials promote exploration, individual and cooperative learning, problem solving, reflection, and real-world connections. Students learn fundamental skills and develop processes for inquiry and exploration.

AU embraces the fact that students learn in different ways and through different means; AU's overall instructional approach draws from the research on multiple intelligences and learning styles (David Kolb 1991; 1993). This approach to learning emphasizes the fact that individuals perceive and process information in very different ways. As such, AU tutors are

Link Michigan assessment

trained to identify students' dominant learning style(s) (Concrete, Abstract, Active and Reflective) and to capitalize on these strengths and abilities by utilizing instructional methods and materials that accommodate each student's unique learning style. Tutors provide strategy instruction (Reid, 2006) to students by directly teaching and modeling for students an array of new cognitive, metacognitive, memory related communication, and social strategies. Students practice the newly learned strategies by applying them in the tutoring session. Once mastered, students are encouraged to transfer the use of the strategies to other related tasks and situations. Strategy instruction leads to increased learning motivation and self-efficacy (Nunan, 1991; Chamot et al., 1996; Chamot, et.al., 1996). The most effective strategy instruction is woven into regular, everyday teaching.

AU's program helps children improve their skills in reading and/or mathematics by providing web-based and small-group instruction. AU uses interactive and hands-on pedagogy and focuses on the skills where the students need additional help as determined by the state tests, AU's diagnostic test and teacher input. In reading, AU help students master the basic skills of comprehension and assists them in making meaning from text by connecting what is read and what is already known. In mathematics the students use manipulatives and other tools to better understand math ideas and be able to apply them in problem solving.

Any gaps existing are filled with fundamental practice activities that bridge the understanding for all students. All instruction is spiraled for the students so that as soon as their understanding is reached they continue up the standard to reach maximum achievement goals written at the onset of the tutoring.

Our tutors are trained to use the following instructional practices associated with higher levels of student achievement: Identifying similarities & difference - helping students compare, classify, and create metaphors and analogies; Summarizing & note taking - helping students analyze, sift through, and synthesize information in order to decide which new information is most important to record and remember; Reinforcing effort & providing recognition - teaching students about the role that effort can play in enhancing achievement and recognizing students for working toward an identified level of performance; Nonlinguistic representations - helping students generate nonlinguistic representations of information, including graphic organizers, pictures and pictographs, mental pictures, concrete representations, and kinesthetic activity; Cooperative learning - creating opportunities for students to develop positive interdependence, face-to-face interaction, individual and group accountability, interpersonal and small group skills and group processing; Setting goals & providing feedback - helping students set their own learning goals in order to establish direction and providing students with timely feedback about their progress; Activating prior knowledge - helping students retrieve what they already know about a topic.

Tutoring sessions are provided outside of the regular school day, before and after school and on Saturdays. All instruction and materials are secular, neutral, and non-ideological. All communication for non English speaking parents will be provided in that parent's primary language. The AU Tutoring program is meant to work in partnership with the student's school and community in order to most effectively improve the acquisition of skills and overall learning.

Criterion 4 (10 points):

Evidence of an Instructional Program and Content Consistent with State Standards and LEA Program(s) – Connection to Content Expectations

Rationale: NCLB Section 1116(e)(5)(B) requires applicants to demonstrate that the instruction they provide and the content they use "are consistent with the instruction provided and content used by the local educational agency and state, and are aligned with state student academic achievement standards." According to the U.S. Department of Education (January 14, 2009), instructional content and methods need not be identical to those of the LEA, but they must "share a focus on the same state academic content and achievement standards and be designed to help students meet those standards" (*Federal Supplemental Educational Services Non-Regulatory Guidance*, p.15). In addition, an applicant must provide evidence that its instructional methods and content are aligned with state academic content and student academic achievement standards, and are of high quality, research-based, and specifically designed to increase the academic achievement of eligible children (*Final Title I Regulations of October, 2008*).

Evaluation: The application will be evaluated on the applicant entity's ability to demonstrate the instructional program's connection to specific state content standards (e.g. Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and/or the Michigan Curriculum Framework) for the grade levels the applicant intends to serve.

Narrative (limit 1,970 characters): Describe how the instructional program connects to specific Michigan content standards. The applicant entity must **provide sample student learning objectives and demonstrate alignment** to specific state content standards (e.g. Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and/or the Michigan Curriculum Framework) for the grade levels the applicant intends to serve. See also, the Michigan Department of Education website for the Common Core State Academic Standards: http://www.michigan.gov/mde/0,1607,7-140-6530_30334_51042-232021--,00.html Cite and reference available research studies (as appropriate) and provide data that supports your position and findings. **Use APA citation style as described in Criterion 2.**

We use the Target Teach Fundamentals instructional program published by Evans Newton, Inc. (ENI) to provide students with assessment and high interest curriculum and learning activities aligned with specific Grade Level Content Expectations, High School Content Expectations, Course/Credit Content Expectations and the Michigan Curriculum Framework. ENI employs a staff of researchers and curriculum specialists whom are responsible for developing Target Teach curriculum and learning activities that are aligned to Michigan state standards and objectives for K-12, and for insuring that those curricula and learning activities are up-to-date with changes Michigan makes to its content standards and grade level achievement indicators. Using Target Teach, we supplement students' classroom learning with instruction that will

help them develop targeted grade level skill sets in math and ELA, and will prepare them for performing at or above proficiency on all state standardized tests, including the Michigan Educational Assessment Program (MEAP), the Michigan Educational Assessment Program-Access (MEAP-Access), English Language Proficiency Assessment (ELPA) and the Michigan Merit Exam (MME).

Specific Michigan Standards addressed: Mathematics: Knowledge of addition, subtraction, multiplication, and division; Daily problem solving applications; Knowledge of geometric and special sense; Solving problems and completing projects using manipulatives; Knowledge of mathematical systems; Solving problems and completing projects using manipulatives. Literacy: Speaking and writing standard English; Students will write daily based on discussions; Reading and evaluating non-fiction works and material; Students will read grade appropriate texts; Writing formally and informally; Students will write form prompts and topics of interest issues.

Criterion 5 (10 points):

Evidence of an Instructional Program and Content Consistent with State Standards and LEA Program(s) – Staff Qualifications

Rationale: NCLB Section 1116(e)(5)(B) requires applicants to demonstrate that the instruction they provide and the content they use "are consistent with the instruction provided and content used by the local educational agency and state, and are aligned with state student academic achievement standards." According to the U.S. Department of Education (January 14, 2009), instructional content and methods need not be identical to those of the LEA, but they must "share a focus on the same state academic content and achievement standards and be designed to help students meet those standards" (*Federal Supplemental Educational Services Non-Regulatory Guidance*, p. 15). In addition, an applicant must provide evidence that its instructional methods and content are aligned with state academic content and student academic achievement standards, and are of high quality, research-based, and specifically designed to increase the academic achievement of eligible children (*Final Title I Regulations of October, 2008*).

Evaluation: The application will be evaluated on the applicant entity's ability to demonstrate that there is a process for ensuring staff is qualified to deliver the required program, content and instruction, and there is a plan for ongoing professional development and supervision. This section should include:

- Clearly defined instructor qualifications
- Evidence that instructors possess the minimum of a high school diploma
- Evidence that a systematic plan for professional development is in place that includes the following:
 - Instructional strategies
 - Focus on student learning
 - Assessment & communication of progress to students, parents, and LEAs
 - Documentation of tutoring sessions and student progress
 - Differentiation of instruction based on diagnosed student needs
 - Feedback to students and employees

Narrative (limit 1,970 characters): Describe the process for ensuring staff is qualified and describe plans for ongoing professional development and supervision. The plan must be detailed and specific.

AU hires instructors qualified to work with students performing below grade level. Instructors must possess the minimum of a high school diploma, and/or meet the minimum requirements of the state/district served, with a satisfactory background check. AU tutors are required to have particular areas of content knowledge, specifically in math and reading/ language arts, and experience in those areas. AU employs an Executive Vice President (EVP) dedicated to the creation of professional development activities for SES tutoring. State Directors (SDs) provide professional development for the purpose of increasing the effectiveness of instruction. The Director provides District Coordinators and teachers with specific, individual training plans, including a review of instructional materials used in tutoring sessions and the use of standards in lesson planning. Training is continuous, via phone calls, online, and in scheduled meetings throughout the tutoring period to keep staff on the cutting edge of instructional strategies. Instructional staff must complete 20 hours of professional development in a school year. All instructors receive specialized training in areas related to the instructional needs of low-performing students, including how to provide technical assistance to others. Staff may not begin working with students until they have successfully completed a documented 8 hours of training. Topics for professional development will include but is not limited to: NCLB Law with regards to SES, Assessments (Pre/Post), Writing Individual Student Plans (ISPs), State Standards, Lesson Planning, Curriculum Materials, Curriculum Alignment, Special Populations (English Language Learners and Students with Disabilities), Reading Strategies, Math Strategies, Student Engagement, Classroom Management, Involving Parents, Feedback and Communication. The EVP regularly updates the AU Tutoring database with professional development tutorials, providing ongoing support to instructional staff.

Criterion 6 (10 points):

Evidence of an Instructional Program and Content Consistent with State Standards and LEA Program(s) – Assessment of Student Need

Rationale: NCLB Section 1116(e)(5)(B) requires applicants to demonstrate that the instruction they provide and the content they use "are consistent with the instruction provided and content used by the local educational agency and state, and are aligned with state student academic achievement standards." According to the U.S. Department of Education (January 14, 2009), instructional content and methods need not be identical to those of the LEA, but they must "share a focus on the same state academic content and achievement standards and be designed to help students meet those standards" (*Federal Supplemental Educational Services Non-Regulatory Guidance*, p. 15). In addition, an applicant must provide evidence that its instructional methods and content are aligned with state academic content and student academic achievement standards, and are of high quality, research-based, and specifically designed to increase the academic achievement of eligible children (*Final Title I Regulations of October, 2008*).

Evaluation: The application will be evaluated on the applicant entity's ability to demonstrate that a specific process is used to assess student need, identify skill or knowledge gaps, and prescribe an instructional program based on the student's individual needs. The applicant must:

- Provide evidence an objective assessment is in place;
- Describe the frequency of objective assessment administration
- Provide evidence of a systematic process to analyze the results of the objective assessment

Narrative (limit 1,970 characters): Describe the plan to assess student academic need, identify skill or knowledge gaps, and prescribe an instructional program based on the student's individual needs. Provide detailed evidence of a comprehensive, systematic process for analyzing results to identify student needs, skill or knowledge gaps, and prescribing an instructional program based on student needs

Before beginning the AU program, students take the Target Assessment in order to assess student needs, identifying skills and/or knowledge

gaps. Student responses are entered into the computer-based Target Assessment program, which scores their assessment and generates a report of the student's academic strengths and academic gaps requiring remediation. The assessment report also identifies the Grade Level Content Expectations or High School Content Expectations that are associated with each identified learning gap, and prescribes an assortment of learning activities available through TargetTeach to address those gaps. The student's assessment report is transmitted to our Tutoring Curriculum and Instruction Division, where our curriculum specialists select the most appropriate resources available from TargetTeach and create customized, engaging learning styles-based curriculum packages, which are sent to tutors who provide direct instruction to students. Using the grade level specific TargetTeach curriculum packages, our tutors provide math and ELA instruction to students one-on-one and in small groups. Target pre assessment results, along with information provided by parents, teachers, counselors, and district resource specialists (when appropriate) are used to develop an individualized Student Learning Plan (SLP), which delineates specific academic achievement goals for data driven instruction. Student progress in the program will be continuously monitored using Target assessments, administered in weekly and end of unit quizzes, documented in both the ENI and Alternatives Unlimited databases. Tutors track student progress during the program through reports generated from the ENI database. At the end of the program, comparing Target pre/post test results provide a clear indication of the positive impact on student achievement. The core materials are accessible for all students, regardless of special needs. The Target Teach resources include specific teacher led questioning strategies, student graphic organizers, assessments, and interventions that reach and teach all students.

Criterion 7 (10 points):

Evidence of an Instructional Program and Content Consistent with State Standards and LEA Program(s) – Communication Plan

Rationale: NCLB Section 1116(e)(5)(B) requires applicants to demonstrate that the instruction they provide and the content they use "are consistent with the instruction provided and content used by the local educational agency and state, and are aligned with state student academic achievement standards." According to the U.S. Department of Education (January 14, 2009), instructional content and methods need not be identical to those of the LEA, but they must "share a focus on the same state academic content and achievement standards and be designed to help students meet those standards" (*Federal Supplemental Educational Services Non-Regulatory Guidance*, p.15).

Evaluation: The application will be evaluated on the applicant entity's plan for communicating student progress to LEA(s)/teacher(s) and to parent(s)/guardian(s). The applicant must:

- Provide evidence that written progress reports occur regularly;
- Provide evidence that communication between the applicant and the stakeholders is documented;
- Describe the process for obtaining parent feedback related to their child's instructional goals.
- Describe how the processes may address parent reluctance or non-responsiveness to the applicant's efforts to engage and communicate with the parent about instructional goals and the child's progress.

Narrative (limit 1,970 characters): Describe the plan for obtaining parent feedback related to identification of specific instructional goals and communicating student progress to LEA(s)/teacher(s) and to parent(s)/guardian(s).

AU employs District Coordinators (DCs) who serve as liaisons between the AU administration, parents/guardians, and our contracting LEAs. DCs are responsible for keeping parents, school and LEA administrators informed of the academic progress of each student. DCs hold weekly phone and in-person meetings with LEA and school site staff. Written student progress reports are sent to LEA and school site administrators, as well as the student's teacher, after every 10 hours of tutoring. Progress reports are provided to school district staff more often if requested. The progress reports contain test scores and class grades earned each month in reading, math, and writing, describe the student's areas of growth and mastery, and identify the areas of focus for the next month's tutoring sessions. Student progress in the program will also be continuously monitored using Target Fundamentals assessments, administered in weekly and end of unit quizzes, documented in both the ENI and Alternatives Unlimited databases. These assessment results are also available on a weekly basis. Each week, informal progress reports are available to parents to keep them informed about student progress, accomplished through written communication, via phone, email, or as the parent picks up their child. Due to limited resources, i.e., lack of transportation, no telephone or computer, language barriers, and conflicting work schedules, AU will contact the student's school and/or visit the student's home. Formal, written progress reports are provided to parents at least once per month during services, in their primary language, when they pick up their child or during a scheduled conference. The progress reports may be mailed, if requested by the parent. Midway through the program, parents are surveyed to monitor feedback. As the program concludes, tutors share scored post assessments with parents to highlight student improvement. Parents are invited anytime to monitor process and progress of their child.

Criterion 8 (5 points):

Fluency and Mechanics

Rationale: By definition, SES is tutoring that is high quality, based on research, and designed to increase student academic achievement [NCLB, Section 1116(e)(12)(C)(2)]. According to the U.S. Department of Education (January 14, 2009), the major focus of NCLB is to utilize only those educational practices that have evidence to suggest that they will increase academic achievement (see *Federal Supplemental Educational Services Non-Regulatory Guidance*).

Evaluation: The application will be evaluated on the applicant entity's ability to demonstrate that entity leaders have a basic understanding of basic mechanics and grammar, and the ability to communicate effectively with parents, districts and employees.

Narrative: No additional narrative should be submitted for this criterion. The narrative supplied for criteria 1-7 will be used to demonstrate fluency and mechanics and as a basis for scoring Criterion 8.

Criterion 9 (5 points):

Applicants proposing to serve grade levels 7-12 and provide tutoring in **math and science both** to grade levels 7-12 will receive **5 bonus points** to be added to the total score. Bonus points do not apply to the minimum points required in each criterion.

Rationale: By definition, SES is tutoring that is high quality, based on research, and designed to increase student academic achievement [NCLB, Section 1116(e)(12)(C)(2)]. The goal of SES is to increase eligible students' academic achievement in a subject or subjects that the State includes in its ESEA assessments under Section 1111 of the ESEA, which must include reading/language arts, mathematics, and science, as well as English language proficiency for students with limited English proficiency (LEP). *Non-Regulatory Guidance, Supplemental*

Educational Services, January 2009. Michigan's experience is that there is a great need for improved achievement in mathematics and science, particularly at the middle and high school grade levels.

Evaluation: 5 Bonus Points will be added to the total application score for those applicants proposing to serve grade levels 7-12 and provide tutoring in **mathematics and science both**, for grade levels 7-12. Bonus points do not apply to the minimum points required in each criterion. In order to receive Bonus Points, the provider must propose to offer mathematics and science, and **all** of the grade levels 7-12.

Narrative: No additional narrative should be submitted for this criterion. Information about meeting this criterion will be obtained from Section A, numbers 13 and 14.

SECTION C. ASSURANCES

By electronically submitting the SES provider application, I certify that I have read and understand each of the following statements, agree to be held accountable for the content of each, and understand that the MDE may invoke disciplinary action at any time, up to and including removal from the Approved List, based upon evidence that I have violated any of these Assurances.

1. The applicant entity certifies that the instructional program described in the application is the instructional program that will be offered to students.
2. The applicant entity certifies that the instruction and content that will be offered is secular, neutral, and non-ideological.
3. The applicant entity is responsible for payment of all payroll taxes and other business expenses or fees.
4. The applicant entity will be available to provide services in a district as required by the district's enrollment procedures or contract.
5. The applicant entity will serve all qualified eligible children whose parent(s)/guardian(s) register for services from the applicant entity, on a fair and equitable basis and in accordance with the terms specified in the application
6. The applicant entity will promptly notify the district, in writing, within three business days, if it does not meet its minimum or exceeds its maximum number of students.
7. The applicant entity will provide parent(s)/legal guardian(s) of children receiving services, and district personnel, information on students' academic progress in an understandable format and language on a regular basis consistent with this application.
8. The applicant entity will provide evidence to the district (before services are delivered) that individuals providing services to children have successfully completed fingerprinting and criminal background checks as required in the district contract.
9. The applicant entity will not disclose to the public the identity of any student eligible for or receiving SES without the written permission of the parent(s)/guardian(s). All public requests for student information should be directed to the district.
10. The applicant entity ensures that the entity is financially sound and agrees to notify the MDE and district, in writing within ten business days, if and when it is no longer financially sound.
11. The applicant entity agrees to follow all applicable Federal, state, and local health, safety, employment, and civil rights laws at all times. This includes, but is not limited to, provision of occupancy permits and fire marshal reports to districts, if requested.
12. The applicant entity will not discriminate on the basis of race, national origin, sex, or disability in accepting students and providing students with SES under Title I (in general, a provider may not, on the basis of disability, exclude a qualified student with disabilities or a student covered under Section 504 if a student can, with minor adjustments, be provided SES designed to meet the individual educational needs of the student).
13. The applicant entity will provide services consistent with the qualified student's individualized education program under the Individuals with Disabilities Education Act (IDEA) if the student is covered under IDEA or Section 504 of the Rehabilitation Act of 1973 if the entity proposes to serve such students.
14. The applicant entity will comply with the MDE Standards for Monitoring SES Providers. The applicant entity agrees to make all documents available to the MDE or district for inspection/monitoring purposes, and participate in site visits at the request of the MDE or the district.
15. The applicant entity agrees to notify MDE and applicable district(s), in writing, of any change in the contact information provided in this application within ten business days.
16. The applicant entity further ensures that it will provide written notification to MDE, when SES will no longer be provided, thirty days prior to termination of services.

SECTION D. SES PROVIDER CODE OF ETHICS

By electronically submitting the SES provider application, I certify that I have read and understand each of the following statements, agree to be held accountable for the content of each, and understand that the Michigan Department of Education (MDE) may invoke disciplinary action at any time, up to and including removal from the approved list, based upon evidence that I have violated any of section of the SES Code of Ethics.

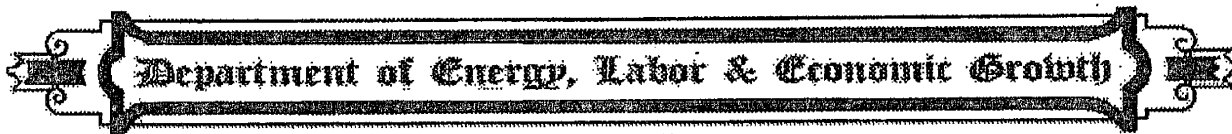
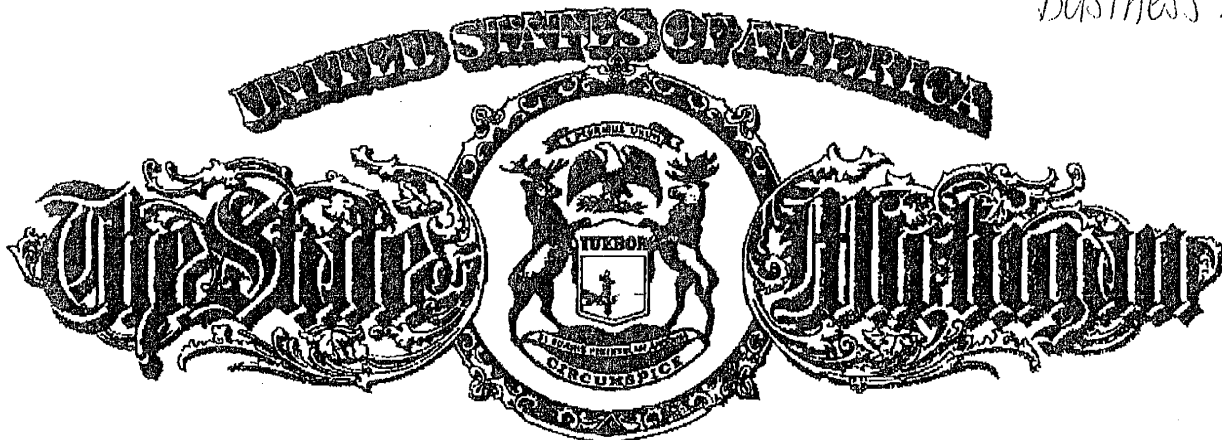
1. Providers must accurately and completely describe services to consumers in terms that are easy to understand. Reading level for informational materials should be no higher than eighth grade.
2. Providers must create and use promotional materials and advertisements that are free from deception. Deception may include, but is not limited to, misrepresentation through implied or stated endorsement for the provider by a school district, school building or its staff or representatives.
3. Providers must not misrepresent to anyone the location of a provider's program or the approval status of a program. If the location of services is dependent upon a minimum student enrollment or the approval of a district, the provider shall indicate the applicable contingencies in its marketing materials.
4. Providers must not publicly criticize or disparage other providers.
5. Providers must not engage in false advertising about other providers' programs.
6. Providers must comply with each district's enrollment procedures.
7. Providers must not distribute a district enrollment form that has the selected provider's name pre-printed as part of the form. The provider may not modify or alter the district enrollment form in any way.
8. Providers must not encourage or induce students or parents to switch providers, once enrolled, without approval by the district. Providers may not create or distribute enrollment change forms for this purpose.
9. Providers must maintain a system of addressing consumer grievances and concerns and must immediately report any grievances to both the district and MDE.
10. Providers must not charge districts more than the maximum hourly rate identified in the application, nor charge districts any additional fees.
11. Providers must not make payments or in-kind contributions to a district, exclusive of customary fees for facility utilization or transportation.
12. Providers must not compensate district employees in exchange for access to facilities, registration, to obtain student lists, or to encourage any district employee to violate district policies or procedure including conflict of interest.
13. Providers must not solicit or accept an exclusive arrangement with any district or school (including, but not limited to, an exclusive right to conduct in-school assemblies or other marketing activities).
14. Providers may not seek access to individual classrooms or interrupt instructional time during the school day for any reason.
15. Providers may not employ any SES-eligible or enrolled student.
16. Each parent of an eligible student who is hired by a provider must have a written job description and must be compensated on the same basis as all other employees of the provider who perform similar work. No parent may receive any commission or other benefit related to the enrollment of their child in a provider's program, nor may a parent be subject to any employment action by the provider on account of the parent's selection of an SES program for their child.
17. Any school personnel employed by an SES provider shall not recruit students to a provider's program, engage in marketing activities on behalf of a provider, or otherwise promote or encourage students to enroll in a specific provider's program. This restriction does not apply to school districts that are approved SES providers. Please see #20 below for specific guidance regarding marketing and recruiting in school districts that are approved SES providers.
18. Providers shall not employ any district employees who currently serve in the capacity of Principal, Assistant Principal, building SES Coordinator, or district SES Coordinator.
19. Providers shall not employ any individuals, including teachers, parents or community leaders, who have any decision-making authority over a school district or school site. The sole exception shall be in school districts that are considered rural and where there are few providers.
20. Where a school district or a school is also an approved provider of SES, district personnel assigned SES provider responsibilities shall avoid all conflicts of interest or favoritism, including the following:
 - a. Individuals employed by the district for this purpose shall not present marketing or recruitment information on any occasion unless all other providers approved for the schools served are offered the same opportunity to present information or recruit students.
 - b. The district shall ensure that the individual has no greater access to parents and students at provider fairs, school assemblies, and other, similar occasions than is afforded to all other providers. "Access" means the amount of speaking time available, the space used, and any other resources allocated to providers.
 - c. Individuals serving as an approved SES provider shall have duties that are entirely distinct from those of any other district employee who performs oversight with respect to the provision of SES. This prohibits the district SES provider from duties such as serving as the district's liaison to all SES providers within a school or schools, or assigning students to other providers.
21. Before or during the registration period, providers must not distribute any objects (such as gift cards, money, pencils, balloons, candy, Frisbees, tote bags, etc.) to parents or students. Informational program materials should be printed on paper.
22. Before or during the registration period, providers must not verbally or nonverbally promise or reference any objects or rewards that will be provided upon registration, program completion or as student rewards during the provision of services.

23. Informational program materials, including the 150-word program summary, must not verbally or non-verbally promise or reference any objects or rewards that will be provided upon registration, program completion or as student rewards during the provision of services.
24. During the provision of SES, providers may not exceed a total of \$20.00 per student annually for rewards. These rewards may not be identified in any written informational material or identified verbally to parents until AFTER enrollment.
25. Technology-based providers may not advertise computers as a reward for program completion. Students may keep computers at the cessation of tutoring services, but providers must fully disclose information about the computers as detailed in the MDE Policy of December 15, 2008. This information may not be included in any written informational material or identified verbally to parents until AFTER enrollment. Computers are not subject to the \$20.00 annual cap on rewards.
26. Providers must not attempt to influence or bias parents when performing an evaluation of the provider's services and achievement of the student's individualized learning goals.
27. A provider shall not use information provided by parents of SES-enrolled students for any commercial purpose without securing the parent's prior written consent for the intended use of the specified information, except that a provider may use parental contact information to communicate about SES with the parents of students served by that specific provider in any prior year.
28. Providers must serve substantially all students registered and immediately communicate to the district any students who cannot be served or who drop out of the program.
29. Providers may not solicit confidential information on minor students without the written consent of parents and/or the school district. This includes, but is not limited to, collecting student or parent information such as addresses, phone numbers, or email addresses.

SECTION E.

Reference List:	MI Reference List.pdf
Business License:	MI Business License.pdf
Insurance or Insurance Quote:	MI Insurance.pdf
Cash Flow:	MI Cash Flow.pdf
Expense Minimum:	Expense Minimum.pdf
Expense Maximum:	Expense Maximum.pdf
Evidence of Cash-on-Hand:	MI Cash-on-Hand.pdf
Billing and Payment:	MI Billing and Payment.pdf
Financial Narrative:	MI Financial Narrative.pdf

Alternatives Unlimited
Business License



Lansing, Michigan

This is to Certify That

ALTERNATIVES UNLIMITED, INC.

a(n) MARYLAND profit corporation, was validly authorized on September 10, 2008, to transact business in Michigan, and that said corporation holds a valid certificate of authority to transact business in this state.

This certificate is issued pursuant to the provisions of 1972 PA 284, as amended, to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business in this state any business of the character set forth in its application which a domestic corporation formed under this act may lawfully conduct.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by Facsimile Transmission
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In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 21st day of April, 2011.

Director

Bureau of Commercial Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/27/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Incorporated 2 Park Center Court Owings Mills, MD 21117 Stewart H. Rosenberg		410-753-1900 410-753-1899	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: ALTER-1	FAX (A/C, No):
INSURED Alternatives Unlimited, Inc. D/B/A Alternatives Unlimited 8508 Loch Raven Blvd. Ste E Towson, MD 21286		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A : Philadelphia Insurance Company		18058
		INSURER B : *The Hartford Ins. Group		29424
		INSURER C :		
		INSURER D :		
		INSURER E :		
		INSURER F :		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			PHPK603854	08/01/10	08/01/11	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Abus & Mol \$1Mill						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ incl
							Emp Ben. \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			30UECIZ4166	12/01/10	12/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> HIRED AUTOS			30UECIZ4166	12/01/10	12/01/11	
B	<input checked="" type="checkbox"/> NON-OWNED AUTOS			30UECIZ4166	12/01/10	12/01/11	
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			PHUB316959	08/01/10	08/01/11	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DEDUCTIBLE						
	<input checked="" type="checkbox"/> RETENTION \$ 10,000						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Teachers Prof			PHPK603854	08/01/10	08/01/11	Each Occu 1,000,000
							Aggregate 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

As respects the work performed by the Named Insured at Michigan Department of Education Office of School Improvement.

CERTIFICATE HOLDER

CANCELLATION

MICHIDP Michigan Department of Education Office of School Improvement 608 W. Allegan Lansing, MI 48933	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---

Cash Flow

5:08 PM
04/27/11
Accrual Basis

Alternatives Unlimited, Inc
Balance Sheet
As of March 31, 2011

	Mar 31, 11
ASSETS	
Current Assets	
Checking/Savings	
01000 · CASH ACCOUNTS	210,925.17
Total Checking/Savings	210,925.17
Accounts Receivable	
01200 · ACCOUNT RECEIVABLE	6,670,799.11
Total Accounts Receivable	6,670,799.11
Other Current Assets	
01300 · Due Chesapeake Bank	-2,220,866.15
1371 · Due from TUG	1,812,781.80
1373 · Due from AU Alabama	-11,584.57
1610 · EXCHANGE	-403.71
Total Other Current Assets	-420,072.63
Total Current Assets	6,461,651.65
Fixed Assets	
01400 · NET FIXED ASSETS	634,011.22
Total Fixed Assets	634,011.22
Other Assets	
1600 · Security Deposit	194,460.06
1601 · Deferred Finance Charges	-80.73
1620 · Note Receivable Tabernaculo De	112,575.25
Total Other Assets	306,954.58
TOTAL ASSETS	7,402,617.45
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	1,050,189.33
Total Accounts Payable	1,050,189.33
Other Current Liabilities	
02000 · Payroll Tax Liability	1,360,455.82
20511 · Accrued Payroll	977,570.45
2370 · Other Loans	320,674.07
Total Other Current Liabilities	2,658,700.34
Total Current Liabilities	3,708,889.67
Long Term Liabilities	
Due to Nick Spinnato	45,000.00
Due to Robert Berger	114,000.00
2201 · American Honda 2006	14,520.34
2202 · Lease Payable	8,040.36
Total Long Term Liabilities	181,560.70
Total Liabilities	3,880,450.37
Equity	
03000 · EQUITY	630.00

Cash Flow

5:02 PM

04/27/11

Accrual Basis

Alternatives Unlimited, Inc
Balance Sheet
As of March 31, 2011

	<u>Mar 31, 11</u>
3000 • Opening Bal Equity	-3,379.83
3050 • Additional Paid in Capital	24,950.00
3900 • Retained Earnings	11,196,280.80
3950 • Retained Earnings*OE	-3,237.29
3990 • DIVIDENDS PAID	-11,093,675.14
Net Income	<u>3,390,598.54</u>
Total Equity	<u>3,512,167.08</u>
TOTAL LIABILITIES & EQUITY	<u>7,402,617.45</u>

5:08 PM
04/27/11
Accrual Basis

Alternatives Unlimited, Inc
Balance Sheet
As of December 31, 2010

Cash Flow

	Dec 31, 10
ASSETS	
Current Assets	
Checking/Savings	
01000 · CASH ACCOUNTS	72,608.71
Total Checking/Savings	72,608.71
Accounts Receivable	
01200 · ACCOUNT RECEIVABLE	2,444,028.52
Total Accounts Receivable	2,444,028.52
Other Current Assets	
01300 · Due Chesapeake Bank	-1,385,040.52
1371 · Due from TUG	1,655,895.79
1373 · Due from AU Alabama	200,621.65
1610 · EXCHANGE	0.01
Total Other Current Assets	471,476.93
Total Current Assets	2,988,114.16
Fixed Assets	
01400 · NET FIXED ASSETS	616,755.92
Total Fixed Assets	616,755.92
Other Assets	
1600 · Security Deposit	186,700.06
1620 · Note Receivable Tabernaculo De	116,289.82
Total Other Assets	302,989.88
TOTAL ASSETS	3,907,859.96
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	799,086.34
Total Accounts Payable	799,086.34
Other Current Liabilities	
02000 · Payroll Tax Liability	1,733,725.23
20511 · Accrued Payroll	867,976.29
2370 · Other Loans	143,007.74
Total Other Current Liabilities	2,744,709.26
Total Current Liabilities	3,543,795.60
Long Term Liabilities	
Due to Nick Spinnato	48,000.00
Due to Robert Berger	120,000.00
2201 · American Honda 2006	14,129.44
2202 · Lease Payable	18,285.13
Total Long Term Liabilities	200,414.57
Total Liabilities	3,744,210.17
Equity	
03000 · EQUITY	630.00
3000 · Opening Bal Equity	-3,379.83
3050 · Additional Paid in Capital	24,950.00
3900 · Retained Earnings	9,133,734.03
3950 · Retained Earnings*OE	-3,237.29
3990 · DIVIDENDS PAID	-11,051,593.89
Net Income	2,062,546.77
Total Equity	163,649.79
TOTAL LIABILITIES & EQUITY	3,907,859.96

1:22 PM
03/24/11
Accrual Basis

Alternatives Unlimited, Inc
Sales by Customer Summary
January through December 2010

Cash Flow

	Jan - Dec 10
Adelanto USD	51,302.40
Alvord	19,964.70
Anahelm City School District	7,826.85
Anahelm Union High School District	46,856.25
Avondale School District	2,020.00
Azusa Unified School District	8,127.00
Bakersfield, CA	48,970.10
Baltimore City	207,479.20
Barstow USD	1,800.00
Bellevue school District	2,632.50
Cajon Valley Union School District	28,426.48
Calexico School District	5,181.50
Calhoun County Schools	14,900.00
Cartwright, AZ School District	2,610.00
Centinela Valley	4,837.50
Chichester DBI	26,581.50
Chichester Homebound	198.75
Chichester School District	126,775.00
Clark ARRA	152,074.80
Clark County	331,374.93
Coachella Valley USD	9,739.82
Colton Joint USD	5,025.70
Community Consolidated District #62	3,648.58
Conrad Welser	62,259.00
Corona-Norco USD	20,199.15
Corpus Christi	37,041.67
Dallas Independent School District	1,398,987.98
DeKalb County Board of education	5,020.00
Desert Sands	56,499.50
Douglas	600.00
Douglas County, GA	1,875.00
Downey USD	20,238.75
Duval County Public Schools	3,658,995.43
East Liverpool	61,010.00
East Maine School District #63	58,533.51
Edcouch-Elsa ISD	369,372.67
Edinburg ISD	82,228.00
Edison Learning, Inc	1,726,557.00
El Centro Unified District	360.00
El Monte City Elementary District	17,537.67
El Rancho USD	17,108.10
Empire Union School District	787.50
Escondido Union	35,825.40
Evanston Township School District	351,880.58
Evanston/Skokle School District #65	32,095.22
Everett Public Schools	16,402.25
Exeter Township	66,737.00
FairFax	17,040.00
Flagstaff	2,430.00
Folsom Cordova USD	180.00
Fontana USD	9,481.50
Fort Bend ISD	22,994.00
Ft. Worth ISD	12,793.33
Fulton County, GA	4,420.00
Gadsden County School District	421,441.00
Garden Grove USD	41,511.69
Glendale Elementary SD	5,400.00
Governor Mifflin	14,190.00
Greenfield Union School District	2,379.15
Gwynette County, GA	57,212.24
Hacienda-La Puente, CA	5,321.25
Hamburg Area School District	39,325.00
Hempstead	12,492.80
Highlands County, FL	170,792.45
Highline SD	11,429.00
Houston Independent School District	65,806.00

Cash Flow

1:22 PM
03/24/11
Accrual Basis

Alternatives Unlimited, Inc
Sales by Customer Summary
January through December 2010

	<u>Jan - Dec 10</u>
Interboro DBI	37,590.00
Interboro School District	99,948.32
Isaac	6,562.80
Jackson - Madison, TN	12,290.00
Johnson County	4,000.00
Kent School District	14,314.51
L. A. Unified School District	940,479.99
La Joya ISD	12,027.50
La Mesa-Spring Valley USD	11,826.00
La Villa ISD	640.00
Lancaster, CA	990.00
Lauderdale County, TN	16,660.00
Lawndale ESD	20,238.75
Lincoln USD	4,279.54
Lodi Unified School District	31,514.58
Lorain Ohio	1,966.67
Madera USD	6,626.25
Magnolia School District	8,921.25
Main Township School District (RE)	33,345.00
Main Township School District (SE)	218,955.83
Martin County Alt/DBI	90,000.00
Memphis City	62,451.00
Mercedes ISD	94,895.00
Misslon CISD	40,339.50
Modesto City Schools	24,953.85
Modesto High School District	720.00
Montebello Unified School District	11,131.65
Moreno Valley	21,865.82
Muhlenberg School District	24,750.00
Mukilteo School District	1,001.25
Nashville	78,244.14
Natomas USD	517.50
New York City	38,927.83
Newport-Mesa	18,538.65
Newton County, GA	9,000.00
North Bergen Homebound	30,662.50
North Bergen Public Schools	306,018.36
Northampton DBI	108,890.00
O'Farrell Community Charter School	1,545.14
Oakland USD	11,452.50
Okaloosa County School Board	10,125.00
One Stop Multiservice Charter School	4,608.33
Ontario-Montclair District	11,891.25
Orange County	2,787,781.00
Osceola	14,266.00
Palm Beach DBI	1,075,768.43
Palm Springs USD	1,721.25
Panama Buena Vista SD	652.50
Pasadena Unified School District	7,657.20
Penn-Delco School District	47,375.00
Perris Elementary School District	7,456.95
Perris Unified School District	5,885.10
Perris Union High School District	180.00
Pharr-San Juan-Alamo ISD	12,570.00
Phoenix Elementary	4,719.00
Phoenix Union	112,651.00
Pickerington School District	31,740.00
Polk County FL Tutoring	122,514.70
Polk School Board	2,418,415.20
Pomona Unified District	2,227.50
Pontiac	394,187.60
Pottsgrove School District	10,120.00
Pottstown Area School District	83,242.50
Prince Georges County	100,340.00
Raymondville ISD	15,447.50
Reading School District	14,640.00

Cash Flow

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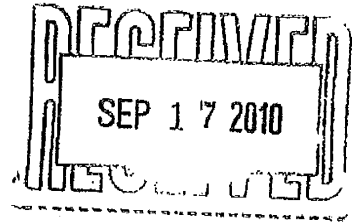
03/24/11

Accrual Basis

Alternatives Unlimited, Inc
Sales by Customer Summary
January through December 2010

	<u>Jan - Dec 10</u>
Renton School District	22,165.50
Rialto USD	6,975.00
Riverside USD	147,694.56
Rochester	151,870.20
Roma ISD	84,729.33
Roosevelt AZ Tutoring	2,240.00
Rose Tree Media School District	9,875.00
Rosemead School District	11,515.50
Rowland USD	2,160.00
Sacramento City U.S.D.	21,092.50
San Bernardino	198,568.50
San Diego School District	155,810.44
Santa Ana Unified School District	22,525.00
Seattle, WA	59,420.00
Spring-Ford Area School District	104,075.00
Springfield	21,875.00
St. Louis Special Education	495,000.00
St. Lucie DBI	960,533.29
Stockton Unified School District	17,628.52
Tacoma, WA	32,212.00
Tracy USD	6,862.50
Trona Joint USD	1,210.00
Tukwila School District	1,189.25
Tulpehocken School District	36,186.00
Twin Rivers	133,907.40
Upper Perkiomen School District	6,162.12
Victor Valley Elementary School District	57,831.30
Victor Valley UHSD	31,757.85
Vineand Home Bound	118,181.25
Waco ISD	-3,440.00
Wallingford-Swarthmore	6,750.00
Washington USD/CA	5,928.94
Washoe County	40,059.32
Washtenaw ISD	510,062.98
West Contra Costa USD	1,878.75
West OSO ISD	8,440.00
Westminster School District	339.00
Wilson School District	140,697.00
Woodstown NJ	1,962.50
TOTAL	<u><u>23,514,340.54</u></u>

Cash-on-Hand



**MODIFICATION TO CASH FLOW AGREEMENT
[Credit Limit]**

Reference is made to the Cash Flow Agreement dated February 10, 2010 (the "Agreement"), between Alternatives Unlimited, Inc. ("Seller") and **Chesapeake Bank** ("Buyer"). The Agreement is modified as follows:

1. Section 1.6 of the Agreement is amended and restated as follows:

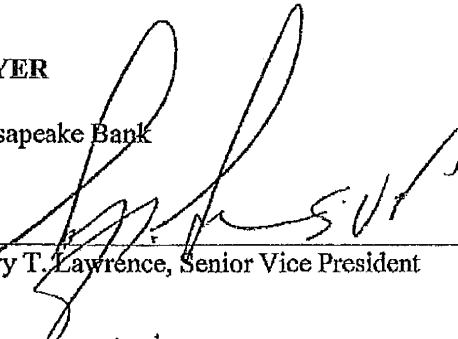
"1.6. "Credit Limit" means \$1,250,000.00 as such amount may be adjusted pursuant to Section 2.2(a)."

2. Except as specifically modified hereby, the terms and provisions of the Agreement are hereby ratified and confirmed and remain in full force and effect. As part of the consideration to Buyer herein, Seller waives any claims and all other defenses of every nature whatsoever it may have with respect to the Agreement.

3. This Modification shall be effective as of September 1, 2010.

BUYER

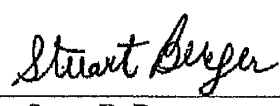
Chesapeake Bank

By: 
Larry T. Lawrence, Senior Vice President

Date: 9/1/10

SELLER

Alternatives Unlimited, Inc.

By: 
Name: Stuart D. Berger
Title: CEO

Date: 9/17/10

Expense Maximum?

Alternatives Unlimited, Inc.
Michigan SES Budget (Maximum)

CASH RECEIPTS	700,000	-	-	-	-	35,000	70,000	70,000	140,000	140,000	140,000	70,000	35,000
CASH DISBURSMENTS (\$00)													
SALARIES	250,000	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833
TUTORS	245,000	-	-	-	-	12,250	24,500	24,500	49,000	49,000	49,000	24,500	12,250
EMPLOYEE BENEFITS	74,250	3,125	3,125	3,125	3,125	4,963	6,800	6,800	10,475	10,475	10,475	6,800	4,963
FACILITY EXPENSES	39,200	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267
EQUIPMENT EXPENSES	5,000	1,250	1,250	1,250	1,250	-	-	-	-	-	-	-	-
SUPPLIES	22,500	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
SOFTWARE	6,000	500	500	500	500	500	500	500	500	500	500	500	500
INSURANCE	5,500	458	458	458	458	458	458	458	458	458	458	458	458
OTHER EXPENSES	7,500	625	625	625	625	625	625	625	625	625	625	625	625
TRAVEL (STAFF)	2,500	208	208	208	208	208	208	208	208	208	208	208	208
RECRUITING, ACCOUNTING, P/R	42,550	11,500	10,050	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
TOTAL DISBURSMENTS	700,000	43,642	42,192	34,242	34,242	47,079	61,167	61,167	89,342	89,342	89,342	61,167	47,079
NET CASH EXCESS (SHORTAGE)	-	(43,642)	(42,192)	(34,242)	(34,242)	(12,079)	8,833	8,833	50,658	50,658	50,658	8,833	(12,079)
CUMULATIVE CASH BALANCE		(43,642)	(85,833)	(120,075)	(154,317)	(166,396)	(157,563)	(148,729)	(98,071)	(47,413)	3,246	12,079	(0)

Alternatives Unlimited, Inc.
Michigan SES Budget (Minimum)

Expense Minimum

CASH RECEIPTS	140,000	-	-	-	-	7,000	14,000	14,000	28,000	28,000	28,000	14,000	7,000
CASH DISBURSMENTS (100)													
SALARIES	35,000	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917
TUTORS	49,000	-	-	-	-	2,450	4,900	4,900	9,800	9,800	9,800	4,900	2,450
EMPLOYEE BENEFITS	12,600	438	438	438	438	805	1,173	1,173	1,908	1,908	1,908	1,173	805
FACILITY EXPENSES	19,600	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
EQUIPMENT EXPENSES	1,000	250	250	250	250	-	-	-	-	-	-	-	-
SUPPLIES	4,500	375	375	375	375	375	375	375	375	375	375	375	375
SOFTWARE	1,200	100	100	100	100	100	100	100	100	100	100	100	100
INSURANCE	1,100	92	92	92	92	92	92	92	92	92	92	92	92
OTHER EXPENSES	1,500	125	125	125	125	125	125	125	125	125	125	125	125
TRAVEL (STAFF)	500	42	42	42	42	42	42	42	42	42	42	42	42
RECRUITING, ACCOUNTING, P/R	14,000	3,750	2,750	750	750	750	750	750	750	750	750	750	750
TOTAL DISBURSMENTS	140,000	9,721	8,721	6,721	6,721	9,289	12,106	12,106	17,741	17,741	17,741	12,106	9,289
NET CASH EXCESS (SHORTAGE)	-	(9,721)	(8,721)	(6,721)	(6,721)	(2,289)	1,894	1,894	10,259	10,259	10,259	1,894	(2,289)
CUMULATIVE CASH BALANCE		(9,721)	(18,442)	(25,164)	(31,885)	(34,174)	(32,280)	(30,386)	(20,127)	(9,868)	390	2,284	(5)

Alternatives Unlimited: Application Financial Narrative

Alternatives Unlimited, Inc. has an over ten year history of providing educational services to public school systems. The SES budget presented herewith is based on our experience as a provider of SES services. We are familiar with the substantial up front costs associated with recruiting students and parents to this program, and we have developed a successful business model to effectively implement SES in the community. In addition to our SES programs, Alternatives Unlimited, Inc. operates profitable alternative education and credit recovery programs in five states and therefore enjoys a steady cash flow stream with which to fund SES programs.

All financial functions are performed at the central administrative offices of Alternatives Unlimited and are controlled by a Chief Financial Officer, Vice President of Business Services and staff. This office collects payments, pays bills, administers payroll functions and generally handles the business aspects of the company so that the educators can devote their efforts to their educational challenges. The company's books are maintained on a QuickBooks platform, and the financial department uses generally accepted accounting procedures as its operating guidelines. Internal financial statements are reviewed by the management team on a regular basis and formal tax returns are prepared by an external CPA firm. AU maintains an operations division that oversees the technical aspects of the organization including the operating budget, information technology support (ITS), risk management, and all aspects of a human resources department including payroll and contract services.

AU has been able to provide support to students while remaining in compliance with local, state, and federal statutes for the past decade by maintaining a dedicated staff, demonstrating fiscal soundness, and ensuring equipment and facilities provide optimal learning environments for students.

Alternatives Unlimited Reference List

References

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